



Delta Natural Gas Company, Inc.

3617 Lexington Road
Winchester, Kentucky 40391-9797

Phone: 606-744-6171

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September 29, 2005

Ms. Beth O'Donnell
Executive Director
Public Service Commission
P O Box 615
Frankfort, KY 40602

Case 2005-00408

RECEIVED

SEP 29 2005

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell:

Enclosed are the original and three copies of Delta's Quarterly Report of Gas Cost Recovery Rate Calculation which determines the Gas Cost Recovery Rate (GCR) to be effective November 1, 2005.

An extra copy of the filing is attached for public files.

Please acknowledge receipt of this filing by stamping the extra copy of the cover letter and returning to Delta in the envelope provided.

Sincerely,

Connie King

Connie King
Director - Rates & Treasury

RECEIVED

SEP 29 2005

PUBLIC SERVICE
COMMISSION

GAS COST
RECOVERY RATE CALCULATION

Date Filed	9/29/05
Date to be Effective	11/01/05

GAS COST RECOVERY CALCULATION

COST RECOVERY RATE EFFECTIVE NOVEMBER 1, 2005		
PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	11.6312
SUPPLIER REFUND (RA)	\$/MCF	(0.0001)
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.8100
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.1118)
GAS COST RECOVERY RATE (GCR)	\$/MCF	<u>12.3293</u>

EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS (SCHEDULE II)	\$	25,826,320
UTILITY PRODUCTION	\$	
INCLUDABLE PROPANE	\$	
TOTAL QUARTERLY EXPECTED GAS COST	\$	25,826,320
TOTAL ESTIMATED SALES FOR QUARTER	MCF	<u>2,220,433</u>
EXPECTED GAS COST (EGC) RATE	\$/MCF	<u>11.6312</u>

SUPPLIER REFUND ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE III)	\$/MCF	
PREVIOUS QUARTER	\$/MCF	
SECOND PREVIOUS QUARTER	\$/MCF	(0.0001)
THIRD PREVIOUS QUARTER	\$/MCF	
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	<u>(0.0001)</u>

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE IV)	\$/MCF	(0.9564)
PREVIOUS QUARTER	\$/MCF	0.0906
SECOND PREVIOUS QUARTER	\$/MCF	1.7429
THIRD PREVIOUS QUARTER	\$/MCF	(0.0671)
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>0.8100</u>

BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
BALANCE ADJUSTMENT AMOUNT (SCHEDULE V)	\$	(248,338)
ESTIMATED SALES FOR QUARTER	MCF	<u>2,220,433</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>(0.1118)</u>

DELTA NATURAL GAS COMPANY, INC.

MCF PURCHASES FOR THREE MONTHS BEGINNING
November 1, 2005
AT SUPPLIERS COSTS EFFECTIVE
November 1, 2005

Supplier	MCF Purchases	DTH Conv Factor	Rates (\$)	Quarterly Cost	Rate Increase (I)/ Reduction (R)
TENNESSEE GAS PIPELINE PIPELINE (SCH II, PAGE 2 OF 2)				874,029	
ATMOS ENERGY MARKETING COLUMBIA GAS TRANSMISSION PIPELINE (SCH II, PAGE 2 OF 2)	747,393	1036	13 4700	10,429,810	I
ATMOS ENERGY MARKETING COLUMBIA GULF TRANSMISSION	314,827	1029	13 4800	4,366,940	I
M&B GAS SERVICES	-	1.030	00000		I
KENTUCKY PRODUCERS CNR	20,830		17 2600	359,526	I
STORAGE	<u>1,137,383</u>		8.1889	<u>9,313,916</u>	
TOTAL	<u>= 2,220,433</u>			<u>25,826,320</u>	

COMPANY USAGE 33,306

**SUPPLIER REFUND ADJUSTMENT
 DETAIL FOR THE THREE MONTHS ENDED
 July 31, 2005**

Particulars	Unit	Amount
SUPPLIERS REFUNDS RECEIVED (1)	\$	0
INTEREST FACTOR (2)		1.0174
REFUND ADJUSTMENT INCLUDING INTEREST	\$	0
SALES TWELVE MONTHS ENDED July 31, 2005	MCF	3,487,631
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	0.0000

(1) Suppliers Refunds Received	Date Received	Amount
Total		0.00

(2) Interest Factor			
RESULT OF PRESENT VALUE	2.4769230	-0.5 =	1.976923

**ACTUAL ADJUSTMENT
DETAIL FOR THE THREE MONTHS ENDED
July 31, 2005**

Particulars	Unit	For the Month Ended		
		May-05	Jun-05	Jul-05
SUPPLY VOLUME PER BOOKS				
PRIMARY GAS SUPPLIERS	MCF	148,228	113,363	87,964
UTILITY PRODUCTION	MCF			
INCLUDABLE PROPANE	MCF			
OTHER VOLUMES (SPECIFY)	MCF			
TOTAL	MCF	<u>148,228</u>	<u>113,363</u>	<u>87,964</u>
SUPPLY COST PER BOOKS				
PRIMARY GAS SUPPLIERS	\$	1,193,823	862,561	767,593
UTILITY PRODUCTION	\$			
INCLUDABLE PROPANE	\$			
OTHER COST (SPECIFY)	\$			
TOTAL	\$	<u>1,193,823</u>	<u>862,561</u>	<u>767,593</u>
SALES VOLUME				
JURISDICTIONAL	MCF	186,402	86,517	69,949
OTHER VOLUMES (SPECIFY)	MCF			
TOTAL	MCF	<u>186,402</u>	<u>86,517</u>	<u>69,949</u>
UNIT BOOK COST OF GAS				
EGC IN EFFECT FOR MONTH	\$	6.4046	9.9698	10.9736
RATE DIFFERENCE	\$	(2.6393)	0.9259	1.9297
MONTHLY SALES	MCF	<u>186,402</u>	<u>86,517</u>	<u>69,949</u>
MONTHLY COST DIFFERENCE	\$	<u>(491,971)</u>	<u>80,106</u>	<u>134,981</u>

Particulars	Unit	Three Month Period
COST DIFFERENCE FOR THE THREE MONTHS PRIOR QUARTER CORRECTION	\$	(276,884) (3,058,633)
TWELVE MONTHS SALES FOR PERIOD ENDED CURRENT QUARTERLY ACTUAL ADJUSTMENT	MCF \$/MCF	<u>3,487,631</u> (0.9564)

DELTA NATURAL GAS COMPANY, INC.

SCHEDULE V

EXPECTED GAS COST BALANCE ADJUSTMENT
 DETAIL FOR THE THREE MONTHS ENDED
 July 31, 2005

Particulars	Unit	Amount
COST DIFFERENCE BETWEEN BOOK AND EFFECTIVE EGC AS USED TO COMPUTE AA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$	(3,272,476)
LESS DOLLAR AMOUNT RESULTING FROM THE AA OF \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 3,487,631 MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE	(0.8271)	
PRIOR QUARTER CORRECTION	\$	(2,884,620)
BALANCE ADJUSTMENT FOR THE AA	\$	<u>(260,724)</u>
DOLLAR AMOUNT OF SUPPLIER REFUND ADJUSTMENT AS USED TO COMPUTE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$	(21)
LESS DOLLAR AMOUNT RESULTING FROM THE UNIT RATE FOR SUPPLIER REFUND ADJUSTMENT OF 0.0000 \$/MCF AS USED TO COMPUTE RA OF THE JURISDICTIONAL SALES FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE FOR THE MCF TOTAL OF 3,487,631	\$	-
BALANCE ADJUSTMENT FOR THE RA	\$	(21)
DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE BA OF THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$	199,497
LESS DOLLAR AMOUNT RESULTING FROM THE BA OF \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL MCF SALES OF 342,868 FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT IMMEDIATELY PRIOR TO THE CURRENT RATE	0.5570	
PRIOR QUARTER CORRECTION	\$	190,977
BALANCE ADJUSTMENT FOR THE BA	\$	<u>3,888</u> <u>12,408</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>(248,338)</u>

FOR All Service Areas
P.S.C. NO. 10
Fifth Revised SHEET NO. 2
CANCELLING P.S.C. NO. 10
Fourth Revised SHEET NO. 2

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

RATE SCHEDULES

RESIDENTIAL

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 16.

AVAILABILITY

Available for use by residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

	<u>Base Rate</u> +	Gas Cost Recovery Rate (GCR) ** =	<u>Total Rate</u>
Customer Charge	\$ 9.80		\$ 9.80
All Mcf	\$ 4.1592	\$12.3293	\$ 16.4885/Mcf (I)

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 12 and 13 of this tariff.

DATE OF ISSUE September 29, 2005 DATE EFFECTIVE November 1, 2005 (Final Meter Reads)
ISSUED BY Glenn R. Jennings TITLE President
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. _____ DATED _____

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 10
Fifth Revised SHEET NO. 3
CANCELLING P.S.C. NO. 10
Fourth Revised SHEET NO. 3

CLASSIFICATION OF SERVICE
RATE SCHEDULES

SMALL NON-RESIDENTIAL GENERAL SERVICE *

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 16.

AVAILABILITY

Available for use by small non-residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

	<u>Base Rate</u> +	Gas Cost Recovery Rate (GCR) ** =	<u>Total Rate</u>
Customer Charge	\$ 20.00		\$ 20.00
All Mcf	\$ 3.7950	\$12.3293	\$ 16.1243/Mcf (I)

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has underdeliveries of transportation gas to Delta's system, and/or requests to revert to the General Service or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the General Service or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the General Service or Interruptible Service rate schedule.

* Meter no larger than AL425

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 10 and 11 of this tariff.

DATE OF ISSUE September 29, 2005 DATE EFFECTIVE November 1, 2005 (Final Meter Reads)
ISSUED BY Glenn R. Jennings TITLE President
Name of Officer
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FOR All Service Areas
P.S.C. NO. 10
Fifth Revised SHEET NO. 4
CANCELLING P.S.C. NO. 10
Fourth Revised SHEET NO. 4

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

LARGE NON-RESIDENTIAL GENERAL SERVICE *

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 16.

AVAILABILITY

Available for use by large non-residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

	Base Rate +	Gas Cost Recovery Rate (GCR) ** =	Total Rate	
Customer Charge	\$ 72.00		\$ 72.00	
.1 - 200 Mcf	\$ 3.7950	\$12.3293	\$ 16.1243/Mcf	(I)
200.1 - 1000 Mcf	\$ 2.1461	\$12.3293	\$ 14.4754/Mcf	(I)
1000.1 - 5000 Mcf	\$ 1.3500	\$12.3293	\$ 13.6793/Mcf	(I)
5000.1 - 10000 Mcf	\$ 0.9500	\$12.3293	\$ 13.2793/Mcf	(I)
Over 10,000 Mcf	\$ 0.7500	\$12.3293	\$ 13.0793/Mcf	(I)

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has underdeliveries of transportation gas to Delta's system, and/or requests to revert to the General Service or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the General Service or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the General Service or Interruptible Service rate schedule.

* Meter larger than AL425

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 10 and 11 of this tariff.

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FOR All Service Areas
P.S.C. NO. 10
Fifth Revised SHEET NO. 5
CANCELLING P.S.C. NO. 10
Fourth Revised SHEET NO. 5

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

INTERRUPTIBLE SERVICE

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 16.

AVAILABILITY

Available for use by interruptible customers.

CHARACTER OF SERVICE

Interruptible - within the reasonable limits of the Company's capability to provide such service.

RATES

	<u>Base Rate</u> +	<u>Gas Cost Recovery Rate (GCR) **</u>	=	<u>Total Rate</u>	
Customer Charge	\$250.00			\$250.00	
.1 - 1000 Mcf	\$ 1.6000	\$12.3293		\$ 13.9293/Mcf	(I)
1000.1 - 5000 Mcf	\$ 1.2000	\$12.3293		\$ 13.5293/Mcf	(I)
5000.1 - 10000 Mcf	\$ 0.8000	\$12.3293		\$ 13.1293/Mcf	(I)
Over 10,000 Mcf	\$ 0.6000	\$12.3293		\$ 12.9293/Mcf	(I)

Special Conditions - All customers having a connected load in excess of 2,500,000 Btu input per hour may be required to enter into an Interruptible Sales Agreement. Determinations of those customers so required shall be based on peak day use as well as annual volume and shall be at the sole discretion of the Company.

Any customer required to enter into an Interruptible Agreement shall be permitted to purchase or transport gas under the Interruptible Rate Schedule as set forth on Sheet No. 5. Gas requirements, minimum charges and other specific information shall be set forth in the Agreement.

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has underdeliveries of transportation gas to Delta's system, and/or requests to revert to the General Service or Interruptible Service rate schedule,

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